

Lobbying and Political Activity Policy

All directors, officers and employees of California Center for Sustainable Energy ("CCSE") are required to comply with the following CCSE Lobbying and Political Activity Policy.

1. **Limited Lobbying Permitted:** CCSE engages in limited lobbying efforts to advance its mission. Unless you are properly registered, trained and expressly designated by CCSE, you are not permitted to engage in lobbying efforts on behalf of CCSE. All lobbying work is limited to the activities contained in this Policy and must be pre-approved by the Executive Director. Violations of this Policy may result in discipline up to and include termination.

2. **Lobbying Expenditures:** It is CCSE's policy to adhere strictly to limitations on lobbying expenditures imposed by the Internal Revenue Service ("IRS"). Lobbying expenditures are reported annually to the IRS on Form 990. To ensure adherence to this policy, lobbying expenditures must be included in the approved CCSE budget and authorized in advance by CCSE Executive Director. Both expenditures and staff time must be charged to a lobbying project code, which will indicate whether the lobbying is "direct" or "grass-roots," as defined by the IRS and below.

3. **Responsibility – Lobbying Expenditures:** In each year's budget request, the Executive Director is responsible for identifying and labeling any proposed expenditures for lobbying. In carrying out the approved budget, the Executive Director is responsible for accurately recording the actual allocation of staff time and other expenditures for lobbying. The Executive Director must provide prior authorization before any employee incurs any expenditure for lobbying.

4. **Definition Of Lobbying:** Lobbying is generally defined as communicating, directly or indirectly, with policymakers for the purpose of trying to influence legislation, whether local, state, federal, or foreign (non-U.S.). U.S. law divides lobbying into two principal categories: *direct lobbying* and *grass-roots lobbying*. To be considered lobbying, an activity must generally meet all parts of either one definition or the other.

Direct lobbying involves communications that: (1) are directed towards government officials; (2) refer to specific legislation; and (3) state or strongly imply a position on it.

Grassroots lobbying involves communications that: (1) are directed to segments of the general public; (2) refer to specific legislation; (3) state or strongly imply a position on the legislation; and (4) encourage the recipient of the communication to contact government officials with respect to the specific legislation.

When recording lobbying time and expenditures, it is critical to specify whether the spending was for direct lobbying or for grass-roots lobbying.

4. **Lobbying With Foundation/Grant Funds:** You should note that certain foundation or grant funds may not be used for lobbying. If a project gets only part of its funding from a foundation or grant, the project can include lobbying so long as the lobbying expenditures are funded by sources that do not exclude lobbying. When designing a project that will include

funding from a foundation or grant, any lobbying must be paid for out of general funds or other non-foundation funds that can be used for lobbying.

5. No Lobbying With Government Funds: In general, CCSE is prohibited from using any government funds for lobbying including using government funds to hire consultants or make grants that involve lobbying.

6. Political Contributions: CCSE encourages individual participation in civic affairs. However, as a charitable organization, CCSE may not make any contributions to any candidate for public office or political committee and may not intervene in any political campaign on behalf of or in opposition to any candidate for public office. CCSE therefore:

- Refrains from making any contributions to any candidate for public office or political committee on behalf of CCSE;
- Refrains from making any contributions to any candidate for public office or political committee in a manner that may create the appearance that the contribution is on behalf of CCSE;
- Refrains from using any organizational financial resources, facilities, or personnel to endorse or oppose a candidate for public office;
- Clearly communicates that we are not acting on behalf of the organization, if identified as an official of CCSE, while engaging in political activities in an individual capacity;
- Refrains from engaging in political activities in a manner that may create the appearance that such activity is by or on behalf of CCSE.

7. Federal Election Laws: As a general rule, involvement in election campaigns by CCSE or its employees is strictly forbidden by the Internal Revenue Code. The public policy reason for this is that the federal government, understandably, does not want nonprofit organizations to use their tax-deductible donations or foundation grants to influence elections. Violation of the law subjects the organization to loss of its tax-exempt status and loss of the tax-deductibility of donor contributions to the organizations, both very dire penalties. Thus, CCSE and its employees may not endorse, work for, or otherwise support a candidate for public office at any level (federal, state or local). Likewise, no candidate may be opposed. No funds or resources of CCSE may be used to support or oppose any candidate.

This does not prohibit, you, *as an individual*, from exercising your right to engage in partisan electioneering activities. You may actively work for any candidate during after-work hours, while on leave without pay, or while using accrued vacation. But you must not do it as a representative of CCSE; it must be clearly and solely in your capacity as a private individual. You should be careful, if engaging in personal electioneering activities, not to identify yourself as speaking or acting on CCSE's behalf. Nor should you be identified as being employed by CCSE in any printed campaign materials or in any public forum. No CCSE funds or resources (e.g., copying, postage, phones, etc.) may be used in your personal electioneering activities.

This Policy was approved by the CCSE Board of Directors on 12-10-2008.